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Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 SAJ-01

ACDA-07 TRSE-00 /065 W
---------- 074757
R 151345Z OCT 76
FM USMISSION USBERLIN
TO SECSTATE WASHDC 3266
AMEMBASSY BONN
INFO AMEMBASSY BERLIN UNN
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS
USMISSION USNATO
AMCONSUL BREMEN
AMCONSUL DUSSELDORF
AMCONSUL FRANKFURT
AMCONSUL MUNICH
AMCONSUL HAMBURG
AMCONSUL STUTTGART

C O N F I D E N T I A L SECTION 1 OF 2 USBERLIN 2194

E.O.11652:GDS
TAGS: PGOV, PINT, WB, GW
SUBJECT: SCHUETZ AND BERLIN SPD

SUMMARY: MISSION HAS FOLLOWED SPATE OF RUMORS REGARDING GOVMAYOR SCHUETZ AND HIS CONTROL, OR LACK THEREOF, OVER BERLIN SPD. LEFT-WING SOCIALISTS, WHO HAVE GAINED IN STRENGTH IN RECENT MONTHS, HAVE THEIR LEADER HARRY RISTOCK WAITING IN WINGS TO REPLACE SCHUETZ. RIGHTISTS HAVE FORMED NEW GROUP AROUND KLAUS RIEBSCHLAEGER, WHO ALSO ASPIRES TO BE GOVMAYOR. SCHUETZ, DOING BALANCING ACT IN MIDDLE , WILL PROBABLY CONTINUE AS GOVMAYOR FOR FORE-SEEABLE FUTURE. CHANCELLOR SCHMIDT, WHO HAS BEEN CRITICAL OF BERLIN SPD IN PAST, NOW APPEARS TO HAVE
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ADOPTED A HANDS-OFF POLICY. END SUMMARY.

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1. KLAUS SCHUETZ TURNED FIFTYON SEPT 17. SOURCES
CLOSE TO SCHUETZ HAVE TOLD MISOFF HE STILL NOT COMPLETELY
RECOVERED FROM OPERATION LAST YEAR TO REMOVE BENIGN
TUMOR FROM GLAND BEHIND RIGHT EAR. ALTHOUGH SCHUETZ
RETURNED AT END OF SUMMER FROM HIS VACATION HOME
IN GRINDELWALD, SWITZERLAND LOOKING FIT AND TANNED,
HIS REIMMERSION IN PROBLEMS OF OFFICE, INCLUDING
RESUMPTION OF HEARINGS ON OPERATIONS OF SCANDAL-RIDDEN
PKM PORCELAIN FACTORY, MAHY BE ONE REASON HIS PRE-
VACATION PALLOR REUTURNED QUICKLY. (PRIOR TO SCHUETZ'S
BIRTHDAY, SOURCE CLOSE TO GUENTER STRUVE, SENAT
PRESS SPOKESMAN AND SCHUETZ'S CLOEST CONFIDENT,
TOLD MISOFF THAT SCHUETZ WAS DREADING TURNING FIFTY
AND THAT GOVMAYOR WAS IN GRIP OF " MID-LIFE CRISIS",
A TERM WHICH ALSO HERE IS COMING INTO JOURNALISTIC
POPULARITY).

2. GOVMAYOR SCHUETZ HAS BEEN ACCUSED EVER SINCE SPD'S
POOR SHOWNG IN 1975 ELECTIONS OF HAVING LOST CONTROL
OF BERLIN ADMINISTRATION. IN ADDITION TO KPM SCANDAL,
SCHUETZ HAS ALSO BEEN BLAMED BY SOME FOR FACT THAT
STEGLITZER KREISEL IS STILL EMPTY AND UNFINISHED. ALTHOUGH
MAYOR OXFORT ACCEPTED CONSEQUENCES OF THE JAIL BREAK
AT TEGEL WOMEN'S PRISON LAST JULY, THIS ALSO WAS LAID
PARTLY AT SCHUETZ'S DOOR. BERLIN ADMINISTRATION
FURTHERMORE HAS ACQUIRED BAD REPUTATION FOR CRONYSIM
AND GENRAL INEFFICIENCY. NO ONE ACCUSES SCHUETZ
OF ANY DISHONEST CONDUCT, AND HIS CASE IS CLEARLY
DIFFERNT FROM THAT OF OSSWALD IN HESSE. BUT THERE
IS A FEELING, AND NOUT JUST IN CDU CIRCLES, THAT
NEITHER SPD, SPD/FDP SENAT NOR THE CITY ITSELF IS
GOING ANYWHERE UNDER SCHUETZ'S MANAGEMENT.

3. ANOTHER VERY LONG-SHOT PROBLEM CONCERNS THE
BURGER ESPIONAGE CASE(USBER 1300). BURGER WAS SPD
PRESS SPOKESMAN IN THE SENAT. THE CHARGES AGAINST HIM
HAVE BEEN SUBSTANTIATED ONLY BY HIS ESTRANGED WIFE,
BUT SHE IS CONSIDRED A RELIABLE SOURCE WHETHER OR
NOT HER TESTIMONY WOULDSUFFICE TO SUPPORT FORMAL
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CHARGES. SENAT CHANCELLERY CHIEF HERZ RECENTLY DROPPED
A REMARK TO THEEFFECT THAT THE BURGER CASE COULD
YET IMPLICATE MORE IMPORTANT BERLIN FIGURES. WE
MENTION THIS POSSIBLIITY NOT BECAUSE WE BELIEVE
SCHUETZ MIGHT BE DIRECTLY INVOLVED BUT BECAUSE AN
ESPIONAGE SCANDAL WOULD TARNISH HIS ADMINISTRATION'S
IMAGE EVEN FURTHER.

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4. FOR MONTHS THERE HAVE BEEN RUMORS (MANY CDU-INSPIRED) THAT SCHUETZ WAS TO BE EASED OUT AND REPLACED. STATE SECRETARY MARIE SCHLEI HAS BEEN NAMED OFTEN IN THE PRESS AS ONE POSSIBLE REPLACEMENT. THESE RUMORS HAVE CONSISTENTLY BEEN DISCOUNTED, HOWEVER, BY MISSION SOURCES WITHIN BERLIN SPD ON GROUNDS THAT DESPITE SLIPS IN SCHUETZ'S POPULARITY AND VOTE-GETTING ABILITY OVER PAST EIGHTEEN MONTHS, THERE IS STILL NO ONE WITHIN PARTY WHO COULD MUSTER SUFFICIENT SUPPORT TO OUST HIM.

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C O N F I D E N T I A L SECTION 2 OF 2 USBERLIN 2194

5. ASCENDACNY OF HARRY RISTOCK AS LEADER OF LEFT-WING SOCIALISTS IN BERLIN HAS BEEN WATCHED CAREFULLY BY POLITICAL ANALYSTS AND THERE ARE MANY WHO SAY THAT RISTOCK NOW HAS BEST CHANCE OF SUCCEEDING SCHUETZ

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IF AND WHEN HE STEPS DOWN AS GOVMAYOR. IRONICALLY,
IT WAS SCHUETZ'S TACIT SUPPORT THAT HELPED RISTOCK
BECOME ONE OF TWO DPEUTY CHAIRMEN OF BERLIN SPD,
REPLACING KURT NEUBAUER. OTHER DEPUTY CHAIRMAN, KLAUS
RIEBSCHLAEGER, IS NOW GATHERING SPD RIGHTISTS AROUND
HIM IN GROUP COMPARABLE TO RISTOCK'S " THURSDAY CLUB."
RIEBSCHLAEGER'S GROUP REPLACES NEUBAUER'S " PIPE
CLUB" WHICH WAS, IN ANY EVENT, MORE OF ELITIST
GATHERING AND NOT OPEN TO ALL MMEBERSO SPD HOUSE
OF REPS CAUCUS WHO SHARD NEUBAUER'S POLTICAL VIEWS.
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CHANCELLERY CHIEF HERZ, WHO HEADS SPD ABTEILUNG IN
BRITZ AREA OF NEUKOELLN DISTRICT, TOLD MISOFF THAT
RISTOCK AND SCHUETZ SHARED MANY POLITICAL POINTS OF
VIEW. RIEBSCHLAEGER, ON OTHER HAND, TOLD MISOFF ON
SEPT 10 THAT WHILE HE AND RISTOCK HAVE WORKED
TOGETHER FAIRLY HARMONISOUSLY ON PARTY BUSINESS,
THEIR POLITICAL VIEWPOINTS ARE FARTHE APART THAN
EVER.

6. KLAUS NEUBAUER'S DEFEAT IN MAY FOR REELECTION AS
ONE OF TOW DEPUTY CHAIRMEN OF PARTY HAS LEFT HIM IN
A STATUS WHICH IS HARD TO DEFINE. RIEBSCHLAEGER
HAS PREEMPTED LEADERSHIP OF THE RIGHT WING,AND
WHATEVER NEUBAUER'S PERSONAL HOPES, THERE SEEMS TO BE
LITTLE CHANCE THAT HE COULD SUCCEED SCHUETZ AS
GOVERNING MAYOR.

7. ACHIM RHEINLAENDER, WHO FUNCTIONS S RISTOCK'S
DEPUTY IN THURSDAY GROUP, TOLD MISOFF ON SEPTEMBER 30
THAT MOST OF CIRICISM LEVELLED AT SCHUETZ FROM
WITHIN THE PARTY WAS" IRRESPONSIBLE." HE IMPLIED
THAT BULK WAS COMING FROM RIGHT-WING. ASKED ABOUT
POSSIBLE PLANS OF SCHUETZ TO LEAVE BERLIN, RHEINLAENDER
REPLIED" WHERE WOULD HE GO?" AND ADDED THAT THERE WOULD BE
NOTHING FOR SCHUETZ EXCEPT PERHAPS POSITION
IN EUROPEAN BUREAUCRACY. RHEINLAENDER QUICKLY
ADDED THAT ALTHOUGH TO HIS KNOWLEDGE SCHUETZ HAD
NO PLANS TO LEAVE," CIRCUMSTANCES COULD ARISE" WHICH
WOULD COMPEL HIM TO RESIGN AS GOVERNING MAYOR.
RHEINLAENDER DECLINED TO AMPLIFY ON THIS, BUT CLAIMED
ONLY THAT SHOULD SCHUETZ LEAVE, BEST MAN TO REPLACE
HIM WOULD BE RISTOCK. IT WAS FOR THIS CONTINGENCY
THAT RISTOCK WAS PALYING INCREASNGLY ACTIVE ROLE IN
PARTY AFFAIRS, RHEINLAENDER INDICATED. HE ADDED
THAT JUDING FROM REIBSCHLAEGER'S INCREASED
ACTIVITY LATELY, THAT RIGHIST SENATOR ALSO CONSIDERED
HIMSELF AS POSSIBLE REPLACEMENT FOR SCHUETZ.

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8. AS TO RUMORS OF SCHUETZ LEAVING TO ACCEPT BETTER
OFFER ELSEWHERE, SUCH AS AMBASSADOR TO UN, SENAT PRESS CHIEF
STRUVE TOLD MISOFF ON SEPT 10 THAT SCHMIDT " WOULDN'T MAKE KLAUS
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SCHUETZ AMBASSADOR TO OUAGADOUGOU, LET ALONE THE UN".
STRUVE ADDED THAT IN ANY EVENT, SCHUETZ WOULD ONLY
GO ON TO A JOB MORE IMPORTANT THANT GOVERNING MAYOR,
WHICH ELIMINATED AN AMBASSADORSHIP.

9. ADDITIONAL FACTOR IN LOCAL SPD EQUATIN IS ATTITUDE OF
CHANCELOR SCHMIDT. SEVERAL MONTHS AGO,SCHMIDT MET WITH
BERLIN SOCIALISTS IN CLOSED MEETING AND GAVE THEM SEVERE
TONGUELASHINGFOR THEIR SQUABBLINGAND PROPSNSITY FOR
SCANDALS. MANY LOCAL POLITICAL OBSERVERS EXPECTED THAT
DURING HIS MOST RECENT VISIT TO BERLIN, OCTOBER 12-13,
SCHMIDT WOULDAGAIN TAKE PARTY TO TASK AND PERHAPS EVEN
TAKE SOME ACTION AGAINST SCHUETZ. HOWEVER, AS REPORTED
IN SEPTEL, SCHMIDT ADOPTED BENIGN ATTITUDE TOWARD BERLIN
SOCIALISTS DURING HIS ONE PUBLIC APPEARANCE, SPEECH TO
BERLIN SPD PARTEITAG AT THE CONGRESS HALL. HE CRITICIZED
ALL SOCIALISTS , NOT JUST BERLINRS, FOR FIGHTING WITH ONE
ANOTHER IN PUBLIC AND WANRED SPD MEMBERS TO BE ABOVE
REPROACH IN PERSONAL CONDUCT. DURING A NINETY-MINUTE SESSION
WITH BERLIN SENAT PRIOR TO CONGRESS HALL APPEARANCE, SCHMIDT
WAS BUSINESS-LIKE AND FACTUAL IN DISCUSSING RANGE OF BERLIN
POLICY ISSUES. PRESENCE OF FDP SENATORS AT MEETING, OF COURSE,
MADE OCCASIN AN INAPPROPRIATE ONE FOR DISCUSSION OF PURELY
SPD BUSINESS. PRIOR TO SENAT MEETING, SCHMIDT MET WITH GOVMAYOR
SCHUETZ PRIVATELY FOR OVER AN HOUR. ACCORDING TO SOURCE
CLOSE TO SCHUETZ, HOWEVER, TWO MEN DISCUSSED GENERAL BERLIN
MATTERS , WORLD POLITICS AND NATIONAL STIFTUNG(SEPTEL) BUT
DID NOT DISCUSS BERLIN SPD MATTERS. THUS FROM EVIDENCE SO
FAR AVAILABLE, IT APPEARS THAT SCHMIDT HAS DECIDED
TO ADOPT A HANDS OFF POLICY TOWARD BERLIN SPD AND ITS INTERNAL
PROBLEMS. THIS SHOULD STRENGTHEN SCHUETZ'S POSITION AND ASSIST
HIM IN MAINTAINING HIS CONTROL.GEORGE

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